

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 SSC-01 AID-20 PC-04 OMB-01 SSO-00

NSCE-00 USIE-00 INRE-00 CIAE-00 DODE-00 PM-07 H-03

INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 ACDA-19 IO-14 EB-11 COME-00 TRSE-00 CIEP-03

FRB-03 CU-05 DRC-01 /157 W  
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O R 181206Z SEP 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC IMMEDIATE 6003

INFO AMEMBASSY TOKYO

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 SEOUL 6212

E.O. 11652: GDS

TAGS: PGOV PFOR KS

SUBJECT: CABINET RESHUFFLE

REF: A. SEOUL 6183 B. SEOUL 6184

BEGIN SUMMARY: EMPHASIS IN SEPT 18 MAJOR RESHUFFLE HAS BEEN ON NEW FACES WHILE REPLACING SEVERAL OF THE LONG-TIME CABINET MINISTERS. WHILE CHANGES ARE EXTENSIVE OUR FIRST IMPRESSION IS THAT THEY DO NOT IN THEMSELVES PRESAGE MAJOR SHIFT IN GOVT POLICIES. HOWEVER THEY MAY REFLECT PRESIDENT PARK'S SENSITIVITY TO THE NEED FOR SOME CHANGE IN THE GOVT'S IMAGE IN THE CURRENT DOMESTIC ENVIROMENT AND IN THE AFTERMATH OF THE ROK-JAPAN DISPUTE. END SUMMARY.

1. MAJOR ROKG CABINET RESHUFFLE ANNOUNCED SEPT 18 HAS COME AS SURPRISE. SINCE GEM SCANDAL HAD SURFACED LAST WEEK THERE HAVE BEEN WIDESPREAD RUMORS THAT HIGH-LEVEL ROKG OFFICIALS AND THEIR WIVES WERE  
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INVOLVED. THESE FOCUSED ON CONSTRUCTION MINISTER

YI NAK-SON WHO HAD IN FACT SUBMITTED HIS RESIGNATION ON SEPT 17. IT APPEARS CLEAR THAT YI'S RESIGNATION WAS CATALYST FOR THE EXTENSIVE CABINET CHANGES DECIDED ON BY PRESIDENT PARK EVENING OF SAME DAY.

2. HOWEVER ASIDE FROM YI, CABINET CHANGES WERE APPARENTLY NOT BECAUSE OF INVOLVEMENT IN GEM SCANDAL. WE UNDERSTAND THAT DECISION ON WHO WAS TO BE DROPPED AND ON NEW APPOINTEES WAS MADE BY PRESIDENT AND PRIMIN SEPT 17 ON BASIS OF PRESIDENT'S DESIRE TO INTRODUCE NEW FACES INTO CABINET AND GET RID OF LONG-TIME OFFICE HOLDERS. IN THAT CONTEXT, GOVERNMENT SPOKESMAN ARE PUBLICLY STRESSING THAT CABINET CHANGES BRING IN NEW PERSONALITIES AND ARE DESIGNED TO FOSTER "NATIONAL UNTIY" IN THE WAKE OF AUG 15 INCIDENT.

3. THE ECONOMIC PLANNING BOARD AND MINISTRY OF FINANCE CHANGES HAVE BEEN RUMORED FOR OVER A YEAR AND IN THEMSELVES REPRESENT NO BASIC POLICY CHANGE. HOWEVER, KIM YONG-HWAN'S APPOINTMENT TO CABINET MAY PRESAGE A RETURN TO GREATER CABINET RESPONSIBILITY FOR ECONOMIC MATTERS AND A LESSENING OF THE HERETOFORE DOMINANT BLUE HOUSE ROLE IN ECONOMIC DECISIONS.

4. TAE WON-SON IS 59 AND WAS DEPUTY PRIME MINISTER SINCE JAN 1972 SO HIS REPORTED SHIFT TO STEEL COMPANY PRESIDENT NOT UNUSUAL ALTHOUGH TIMING LESS THAN FELICITOUS GIVEN PRESENT VISIT OF MAJOR US BUSINESS GOURP. NAM DUCK-WOO, A FORMER PROFESSOR OF ECONOMICS, IS 50 AND HAS BEEN MINISTER OF FINANCE FOR EXTRAORDINARILY LONG TERM OF NEARLY FIVE YEARS. HE IS HIGHLY REGARDED BY PRESIDENT AND HAS GENERALLY BEEN CONSIDERED LOGICAL SUCCESSOR TO TAE. KIM YONG-HWAN IS ALSO LOGICAL CHOICE, HAVING SERVED AS VICE MINISTER UNDER NAM BEFORE BECOMING FIRST ECONOMIC SECRETARY AT BLUE HOUSE. AT 42 KIM IS A QUIET PROFESSIONAL WHO HAS RISEN RAPIDLY THROUGH SUCCESSION OF JOBS IN ECONOMIC MINISTRIES AND POSTS. HAM AND KIM SHOULD MAKE A VERY COMPETENT TEAM IN TACKLING KOREA'S CURRENT EXTERNAL AND DOMESTIC

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FINANCIAL PROBLEMS, ALTHOUGH THEIR PREVIOUSLY DEMONSTRATED STRENGTHS HAVE BEEN MORE IN POLICY FOURMULATION THAN IN COORDINATING AND ADMINSTRATIVE ROLES HICH THEY HAVE NOW ASSUMED. NAM AND KIM ARE BOTH WELL-KNOWN TO, AND RESPECTED BY, EMBASSY.

5. AS NOTED ABOVE YI NAK-SON WHOSE RELATIONSHIP WITH PRESIDENT PARK GOES BACK TO BEFORE

1961 COUP WAS DROPPED BECAUSE OF INTENSE PUBLIC SPECULATION ABOUT HIS ALLEGED INVOLVEMENT IN THE GEM SCANDAL. HIS REPLACEMENT LTGEN KIM CHAE-KYU, THE KCIA DEPUTY DIRECTOR, PUTS IN THAT POSITION ANOTHER MAN WHOSE TIES ARE DIRECTLY TO PRESIDENT PARK. IT WOULD APPEAR THAT THE PRESIDENT WISHES TO HAVE A VERY CLEAR CONTROL OVER THIS MINISTRY WHICH IS DEEPLY INVOLVED IN CONTRACTS AND MAJOR FUND EXPENDITURES.

6. AS IN THE CASE OF TAE WAN-SON, THERE HAVE BEEN RUMORS FOR MANY MONTHS THAT EDUCATION MINISTER MIN KWAN-SIK AND MCUI MINISTER YUN CHU-YONG WOULD BE CAUGHT UP IN THE NEXT MAJOR CABINET RESHUFFLE. BOTH MEN WERE CONSIDERED TO HAVE ALREADY RUN THE COURSE AS CABINET MINISTERS. ) MIN AND YUN WERE APPOINTED IN JUNE 1971.) THEREFORE, THEIR REMOVAL COULD WELL BE CONSIDERED ESSENTIAL IN ANY CABINET FACELIFTING. AT SAME TIME, THEY ARE BOTH CLOSE ASSOCIATES OF THE PRIME MINISTER AND THEIR REMOVAL IS ALSO BEING INTERPRETED AS A PRESIDENTIAL CAUTION TO THE PRIME MINISTER AS TO WHO RETAINS ULTIMATE POWER.

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FM AMEMBASSY SEOUL

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C O N F I D E N T I A L SECTION 2 OF 2 SEOUL 6212

7. MINISTER OF EDUCATION YU KU-CHUN HAS HAD NO PREVIOUS GOVERNMENTAL EXPERIENCE BUT APPOINTMENT OF AN ACADEMIC FROM THE CHOLLAS APPEARS A MOVE TOWARDS REGIONAL BALANCE. ALTHOUGH NOT WELL KNOWN OUTSIDE UNIVERSITY COMMUNITY YU IS RESPECTED BY USIS OFFICERS WHO HAVE DEALT WITH HIM IN THE ACADEMIC WORLD.

8. YI WON-KYONG, MCUI MINISTER IS CLEARLY A MAJOR IMPROVEMENT OVER HIS PREDECESSOR AS THE GOVERNMENT SPOKESMAN. A FORMER DIPLOMAT, HE HAS HEADED THE HAPDONG NEWS AGENCY SINCE 1966. IN THE PAST YEAR MCUI HAS BECOME THE GOVERNMENT'S MAJOR, ALTHOUGH NOT SOLE, INSTRUMENT FOR CONTROLLING THE PRESS. WHETHER YI PERSONALLY WILL WANT TO PLAY SUCH A ROLE WITH THE SAME VIGOR AS HIS PREDECESSOR IS NOT CLEAR.

9. MINISTER OF JUSTICE, HWANG SAN-TOK, SONGKYUNKWAN UNIVERSITY PRESIDENT, HAS A LONG BACKGROUND AS A LAW PROFESSOR IN THE ACADEMIC WORLD AND HAD RUN AFOUL OF THE THEN MILITARY  
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GOVERNMENT IN 1962. SOME PRESSMEN SPECULATE THAT HIS APPOINTMENT MIGHT MEAN THAT THE GOVERNMENT IS IN FACT CONSIDERING CONSTITUTIONAL REVISION. HOWEVER, HWANG HASEREN EMBROILED IN A LEADERSHIP CONTROVERSY AT SONGKYUNKWAN UNIVERSITY FOR SOME TIME NOW AND THE PROSPECTS OF A MAJOR GOVERNMENT APPOINTMENT MIGHT WELL HAVE LOOKED ALLURING. AT SAME TIME FORMER JUSTICE MINISTER YI PONG-SONG WAS OUT OF HIS DEPTH AS MINISTER AND UNABLE TO CONTROL HIS OWN MINISTRY.

10. TRANSPORTATION MINISTER CHOE KYONG-NOK, AMBASSADOR TO THE U.K., HAS LONG BEEN ANGLING FOR A CABINET APPOINTMENT. CHOE HAD OBVIOUSLY TIRED OF HIS LONDON EMBASSY SOME TIME AGO AND APPARENTLY HAS FINALLY SUSSEDED IN GETTING HIS WISH FOR A MINISTERIAL POST.

11. COMMUNICATIONS MINISTER, CHANG SUNG TAE, WAS CHAIRMAN OF COMMUNICATIONS AND TRANSPORTATION COMMITTEE IN ITH ASSEMBLY. OUR FILE INDICATED HE HAD IN PAST BEEN A KIM CHONG-PIL SUPPORTER. WE DO NOT KNOW HOW STRONG THAT LINK IS AT PRESENT.

12. REPLACEMENT OF KIM YONG-SIK AS MINISTER OF UNIFICATION BY SIN TO-SONG, HEAD OF YONGNAM UNIVERSITY'S UNIFICATION RESEARCH INSTITUTE AND LIBERAL PARTY

ASSEMBLYMAN IN THIRD AND FOURTH ASSEMBLY, IS OBVIOUSLY DECISION TO DROP A VERY OLD FACE FROM CABINET ALTHOUGH HIS REPLACEMENT IS A RELATIVE NON-ENTITY. YONGNAM UNIVERSITY'S UNIFICATION RESEARCH INSTITUTE HAS VERY CLOSE TIES WITH THE GOVERNMENT. (WE HEAR THAT KOREA UNIVERSITY PROF KIM CHUN-YOP MIGHT HAVE BEEN THE FIRST CHOICE FOR THIS POST.)

13. LOOKING AT THE CABINET OVERALL, IT CLEAR THAT PRESIDENT PARK DID TAKE OCCASION OF YI NAK-SON'S RESIGNATION AND THE IMMINENT SETTLEMENT OF THE CONTROVERSY WITH JAPAN TO EMBARK ON A MAJOR FACE-LIFTING JOB. EFFORT OBVIOUSLY WAS MADE TO BRING IN NEW FACES ALTHOUGH MOST OF THE NEW APPOINTEES ARE NOT MEN OF MAJOR INDEPENDENT STATURE AND SOME ARE CONFIDENTIAL

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UNKNOWN NATIONALLY. AT SAME TIME THE KEY MINISTRIES OF DEFENSE, HOME AFFAIRS, AND FOREIGN AFFAIRS REMAIN UNTOUCHED. SIMILARLY DESPITE RESHUFFLE IN ECONOMIC MINISTRIES, THE SAME KEY ECONOMIC DECISION MAKERS REMAIN IN COMMAND AND APPARENTLY RETAIN PRESIDENT PARK'S CONFIDENCE. THEREFORE, DESPITE THE NEW FACES, THE CABINET CHANGES DO NOT IN THEMSELVES SEEM TO INDICATE MAJOR POLICY CHANGES ALTHOUGH THEY MAY REFLECT PRESIDENT PARK'S SENSITIVITY TO THE NEED FOR SOME CHANGE IN THE GOVT'S IMAGE IN THE PRESENT DOMESTIC ENVIRONMENT AND IN THE AFTERMATH OF THE ROK-JAPAN DISPUTE.

14. BIOGRAPHIC INFORMATION ON NEW CABINET APPOINTEES BEING SUBMITTED BY AIRGRAM.  
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## Message Attributes

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